



Agenda Item No. 6

To: Finance-Auditing Committee/Committee of the Whole
Meeting of October 10, 2008

From: Bob Haar, Information Systems Director
Z. Wayne Johnson, Deputy General Manager, Administration & Development
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF A FIVE-YEAR PROFESSIONAL AGREEMENT WITH MARIN.ORG/MIDAS FOR DATA COMMUNICATIONS SERVICES**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of a five-year agreement with MARIN.ORG/MIDAS, in the amount of \$93,230 per year, for a total five-year cost of \$466,150, to provide data communication services to the District. The Finance-Auditing Committee further recommends authorizing the General Manager in her discretion to extend this agreement on an annual basis thereafter, in an amount not to exceed documented cost of living increases. Requisite funds for these services are included in the FY 08/09 District Division Information Systems Operating Budget.

Summary

Data communications services (bandwidth) that electronically connect the eight District locations and provide access to the Internet have been in place for many years but have reached capacity in recent months. These services are in need of replacement in order to provide additional, upgraded capacity between locations, improved internet access from each location, and critically needed redundancy for the data link between San Rafael facilities and the Bridge Toll Plaza/Administration Building.

Staff has identified three suppliers able to provide these services to the District locations. Two commercial providers, Verizon and AT&T, are physically able to provide the services and a branch of the County of Marin is also able to provide the services which they do for other public agencies and non-profits.

- (1) Verizon offers the services pursuant to a State CMAS contract and its prices are therefore public. Their annual price would be \$183,113 with a one-time cost of \$49,000.

- (2) Staff has obtained an informal quote from AT&T, which is the only other provider in northern California that has the technical infrastructure in place necessary to provide the needed services. The informal quote calls for an annual price of \$149,294 with a one-time cost of \$49,000.
- (3) MARIN.ORG/MIDAS is a branch of the County of Marin that has negotiated a pricing schedule with AT&T that results in discounted service rates. Their annual price would be \$93,230 with no one-time costs.

A comparison of the costs of the three service providers is shown in the table below.

<u>VENDOR</u>	<u>ONE-TIME COST</u>	<u>ANNUAL COST</u>
VERIZON	\$49,000	\$183,113
AT &T	\$49,000	\$149,294
MARIN.ORG/MIDAS	\$0	\$93,230

MARIN.ORG/MIDAS provides network services only to local government agencies, schools, and nonprofit organizations. Its customers include the County of Marin, the Marin Municipal Water District, all the Marin County cities and towns with the exception of Corte Madera, all Marin public libraries, and nonprofit organizations such as the Marin Community Foundation, and independent schools. In all, MARIN.ORG/MIDAS provides network connections to 90 sites for its 26 customers. They have also provided the District's internet access without interruption for the past 10 years.

An additional benefit of the MARIN.ORG/MIDAS solution is that it includes advanced Virtual Private Network (VPN) capability at no extra charge for District approved remote access.

Staff has determined that it would be uneconomical to procure the necessary services through a traditional competitive procurement. Such a process would not be in the District's best interests as MARIN.ORG/MIDAS does not participate in competitive procurements, thus, the result will almost certainly be considerably more expensive than the price offered by MARIN.ORG/MIDAS. Procuring such services through direct negotiations with MARIN.ORG/MIDAS is not prohibited by State law, and is consistent with the District's procurement policy allowing for procuring services through direct negotiations if in the best interest of the District and if otherwise permitted by State law. Staff and the Attorney have negotiated terms and conditions with the County of Marin for these services that are consistent with industry practices.

Fiscal Impact

At \$93,230 per year, the cost for the data communication services with MARIN.ORG/MIDAS over five years is \$466,150. Funds for these services were included in the FY 08/09 District Division Information Systems Operating Budget and will be included in the District Division Information Systems Operating Budgets for subsequent years.